

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

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**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED JUNE 30, 2019**

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## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
<u>FINANCIAL SECTION</u>	
Statement 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash.....	3
Notes to the Financial Statement .....	5
<u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule 1	
Summary of Expenditures – Actual and Budget.....	14
Schedule 2	
Schedule of Receipts and Expenditures	
<u>General Funds</u>	
2-1 General Fund.....	15
2-2 Supplemental General Fund.....	16
<u>Special Purpose Funds</u>	
2-3 At-Risk (4-Yr-Old) Fund .....	17
2-4 At-Risk (K-12) Fund .....	18
2-5 Bilingual Education Fund .....	19
2-6 Capital Outlay Fund .....	20
2-7 Driver Training Fund .....	21
2-8 Food Service Fund.....	22
2-9 Professional Development Fund.....	23
2-10 Special Education Fund .....	24
2-11 Career and Postsecondary Education Fund .....	25
2-12 KPERS Special Retirement Contribution Fund.....	26
2-13 Non-Budgeted Special Purpose Funds.....	27
<u>Bond and Interest Fund</u>	
2-14 Bond and Interest Fund .....	28
Schedule 3	
Schedule of Receipts, Expenditures, and Unencumbered Cash District Activity Funds .....	29
Schedule 4	
Summary of Receipts and Disbursements Agency Funds.....	30

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 467  
Leoti, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 467, as of and for the year ended June 30, 2019, and the related notes to the financial statement.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by Unified School District No. 467 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 467 as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 467 as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

## **Other Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 467 as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated March 5, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2019 (Schedule 2 as listed in the table of contents) is also presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

December 20, 2019

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2019

<u>Funds</u>	<u>Beginning unencumbered cash balance (deficit)</u>	<u>Prior year canceled encumbrances</u>	<u>Receipts</u>
General funds:			
General	\$ -	\$ -	\$ 3,154,642
Supplemental general	72,321	-	1,188,858
Total general funds	<u>72,321</u>	<u>-</u>	<u>4,343,500</u>
Special purpose funds:			
At-risk (4-yr-old)	-	-	76,341
At-risk (K-12)	-	-	375,450
Bilingual education	-	-	113,342
Capital outlay	950,467	-	503,713
Driver training	15,505	-	3,946
Food service	31,445	-	234,872
Professional development	1,331	-	1,932
Special education	37,812	-	346,885
Career and postsecondary education	-	-	134,309
KPERS special retirement contribution	-	-	303,069
Gifts and grants	162,878	-	186,966
Contingency reserve	315,722	-	-
Textbook and student material revolving	34,001	-	22,678
Title I	106	-	81,570
Migrant	-	-	30,000
Title II-A teacher quality	(701)	-	15,748
USDOE REAP	(13,093)	-	33,387
Finnup Foundation arts grant	44	-	7,996
Elementary lunch - Childs estate	42,819	-	213
District activity funds	50,796	-	85,631
Total special purpose funds	<u>1,629,132</u>	<u>-</u>	<u>2,558,048</u>
Bond and interest funds:			
Bond and interest	353,345	-	331,502
Total reporting entity - excluding agency funds	<u>\$ 2,054,798</u>	<u>\$ -</u>	<u>\$ 7,233,050</u>

<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 3,154,642	\$ -	\$ 45,365	\$ 45,365
1,150,417	110,762	7,446	118,208
<u>4,305,059</u>	<u>110,762</u>	<u>52,811</u>	<u>163,573</u>
66,000	10,341	2,154	12,495
326,412	49,038	11,562	60,600
113,342	-	197	197
726,231	727,949	-	727,949
5,986	13,465	-	13,465
240,456	25,861	-	25,861
1,946	1,317	-	1,317
352,812	31,885	-	31,885
134,309	-	4,117	4,117
303,069	-	-	-
165,108	184,736	-	184,736
-	315,722	-	315,722
13,354	43,325	-	43,325
81,676	-	2,444	2,444
30,000	-	269	269
15,047	-	-	-
20,294	-	101	101
4,020	4,020	-	4,020
400	42,632	-	42,632
85,230	51,197	-	51,197
<u>2,685,692</u>	<u>1,501,488</u>	<u>20,844</u>	<u>1,522,332</u>
<u>316,250</u>	<u>368,597</u>	<u>-</u>	<u>368,597</u>
<u>\$ 7,307,001</u>	<u>\$ 1,980,847</u>	<u>\$ 73,655</u>	<u>\$ 2,054,502</u>

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2019

Composition of cash balance:

Cash on hand	\$	300
Demand deposits		1,536,810
Certificates of deposit		<u>550,880</u>
Total cash		2,087,990
Agency funds		<u>(33,488)</u>
Total reporting entity - excluding agency funds	\$	<u><u>2,054,502</u></u>

The notes to the financial statement are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

June 30, 2019

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Unified School District No. 467 is a municipal corporation governed by an elected seven-member board. This financial statement presents only Unified School District No. 467 which has no related municipal entities.

2. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2019:

**REGULATORY BASIS FUND TYPES**

General funds – the chief operating funds. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest funds – used to account for the accumulation of resources (including tax levies and transfers from other funds) and payment of general long-term debt.

Agency funds – used to report assets held by the municipal reporting entity in a purely custodial capacity (student organization funds, etc.).



## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

### 4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special purpose funds (unless specifically exempted by statute), and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for state and federal grant funds and the following special purpose funds:

- Gifts and Grants
- Contingency Reserve
- Textbook and Student Material Revolving
- Finnup Foundation Arts Grant
- Elementary Lunch – Childs Estate
- District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. In-Substance Receipt in Transit

The District received \$158,527 subsequent to June 30, 2019 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, the State Department of Education, and legal representatives of the District.

K.S.A. 10-130 requires the District to submit bond payments to the State at least twenty days prior to the maturity date. The District submitted a bond payment nineteen days prior to the maturity date for the year ended June 30, 2019.

K.S.A. 75-3317 through 75-3322 requires the District to purchase goods or services offered by Kansas industries for the blind and severely disabled. The District did not purchase any qualifying goods for the year ended June 30, 2019.

C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds to have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

## C. DEPOSITS AND INVESTMENTS (CONTINUED)

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

At June 30, 2019, the District's carrying amount of deposits was \$2,087,690 and the bank balance was \$2,233,632. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,733,632 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

## D. DEFEASED BONDS

On October 25, 2016, the District issued \$2,900,000 in general obligation bonds with interest rates ranging from 2.00% to 3.00% to advance refund \$2,810,000 of outstanding 2009 Series bonds with interest rates ranging from 3.00% to 5.00%. The net proceeds of \$3,083,473 (after payments of \$38,000 in issuance costs, \$31,900 for underwriter's discount, \$1,215 rounding adjustment, and \$11,010 for insurance premiums) were deposited into an escrow account to provide for the future debt service payments of the 2009 Series bonds. As a result, the refunded portion of the 2009 Series bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt footnote (Note E).

The District advance refunded the callable portion of the 2009 Series bonds to reduce its total debt service payments over the next 13 years by \$207,917 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$184,978.

## E. LONG-TERM DEBT

Changes in long-term liabilities for the year ended June 30, 2019 were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
School building bonds - Series 2009:					
Issued September 1, 2009					
In the amount of \$4,500,000					
At interest rates of 3% - 5%					
Maturing October 1, 2020					
	\$ 415,000	\$ -	\$ 200,000	\$ 215,000	\$ 15,750
Refunding bonds – Series 2016					
Issued October 25, 2016					
In the amount of \$2,900,000					
At interest rates of 2% - 3%					
Maturing October 1, 2029					
	<u>2,865,000</u>	<u>-</u>	<u>15,000</u>	<u>2,850,000</u>	<u>85,500</u>
Total general obligation bonds	3,280,000	-	215,000	3,065,000	101,250

## E. LONG-TERM DEBT (CONTINUED)

Issue	Balance beginning of year	Additions	Reductions/ net change	Balance end of year	Interest paid
Capital lease: HVAC unit: Issued June 20, 2013 In the amount of \$2,160,420 At interest rates of 2.71%, adjustable up to 4.96% Maturing August 1, 2023	\$ 783,649	\$ -	\$ 227,429	\$ 556,220	\$ 21,113
Total contractual indebtedness	<u>\$4,063,649</u>	<u>\$ -</u>	<u>\$ 442,429</u>	<u>\$3,621,220</u>	<u>\$ 122,363</u>

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2020	\$ 230,000	\$ 90,575	\$ 320,575
2021	240,000	81,450	321,450
2022	245,000	74,175	319,175
2023	255,000	66,675	321,675
2024	270,000	58,800	328,800
2025-2029	1,490,000	165,450	1,655,450
2030	<u>335,000</u>	<u>5,025</u>	<u>340,025</u>
Total	<u>\$ 3,065,000</u>	<u>\$ 542,150</u>	<u>\$ 3,607,150</u>

Current maturities of capital leases and interest (based on current interest rate of 2.71%) through maturity are as follows:

	Principal due	Interest due	Total due
2020	\$ 234,881	\$ 13,661	\$ 248,542
2021	241,459	7,083	248,542
2022	<u>79,880</u>	<u>1,082</u>	<u>80,962</u>
Total	<u>\$ 556,220</u>	<u>\$ 21,826</u>	<u>\$ 578,046</u>

## F. OPERATING LEASES

The District entered into a six-year operating lease agreement for three copiers in July of 2017. Rental payments of \$7,000 are due annually with the first payment beginning in July of 2017. Rental payments for the current year totaled \$7,000.

The District entered into a five-year operating lease agreement for two copiers in June of 2017. Rental payments of \$1,473 are due annually with the first payment beginning in July of 2017. Rental payments for the current year totaled \$1,473.

The District entered into a five-year operating lease agreement for a 2019 Blue Bird Activity bus in January of 2018. Rental payments of \$21,829 are due annually with the first payment beginning in January of 2018. Rental payments for the current year totaled \$21,829.

The District entered into a five-year operating lease agreement for a Bobcat Skid Steer Loader in September 2018. Rental payments of \$6,000 are due annually with the first payment beginning in September 2018. Rental payments for the current year totaled \$6,000.

## F. OPERATING LEASES (CONTINUED)

The District entered into a five-year operating lease agreement for a 2019 Blue Bird Activity bus in October 2018. Rental payments of \$27,533 are due annually with the first payment beginning in October 2018. Rental payments for the current year totaled \$27,533.

The following is a yearly schedule of future minimum rental payments under the operating leases through maturity:

2020	\$	63,835
2021		63,835
2022		63,835
2023		<u>40,533</u>
Total	\$	<u>232,038</u>

## G. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	At-risk (K-12)	\$ 71,952	K.S.A. 72-5167
General	Bilingual education	69,977	K.S.A. 72-5167
General	Food service	20,000	K.S.A. 72-5167
General	Special education	342,140	K.S.A. 72-5167
General	Career and postsecondary education	<u>87,911</u>	K.S.A. 72-5167
Total General		<u>591,980</u>	
Supplemental general	At-risk (4-yr-old)	64,741	K.S.A. 72-5143
Supplemental general	At-risk (K-12)	303,498	K.S.A. 72-5143
Supplemental general	Bilingual education	43,365	K.S.A. 72-5143
Supplemental general	Professional development	266	K.S.A. 72-5143
Supplemental general	Career and postsecondary education	<u>43,566</u>	K.S.A. 72-5143
Total Supplemental general		<u>455,436</u>	
Total operating transfers		<u>\$ 1,047,416</u>	

## H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other post-employment benefits.* As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

## H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

*Section 125 plan.* The District offers a Section 125 flexible benefit plan to all eligible employees. It is used for medical insurance premiums, unreimbursed medical expenses, and qualified dependent care expenses. The plan is administered by a third-party administrator. The District withholds the amounts from the employee's paychecks and remits the withholdings to the plan administrator.

*Death and disability other post-employment benefits.* As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

*Compensated absences.* The District's policy is to recognize the costs of compensated absences when actually paid. District policies address vacation for employees on twelve-month contracts and sick leave for all employees. Employees on twelve-month contracts receive two weeks of vacation per year. All full-time employees receive thirteen to sixteen days of unclassified leave annually. Vacation may be accumulated to twice the employee's annual allotment and sick leave may be accumulated up to ninety days. Employees are paid a reduced rate for unused sick leave in excess of ninety days annually. Upon retirement, termination, or resignation, the District does not pay for any accumulated sick leave or personal leave.

## I. DEFINED BENEFIT PENSION PLAN

### General Information about the Pension Plan

*Plan description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org), by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603), or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01% for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

## I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

### General Information about the Pension Plan (Continued)

Per 2017 Senate Substitute for the House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first-year payment of \$6.4 million was received in July 2017.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in the fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$303,069 for the year ended June 30, 2019.

### Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$4,315,612. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## J. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters, and medical needs of employees. The District has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the District has joined together with other school districts in the State to participate in the Kansas Association of School Boards Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

## J. RISK MANAGEMENT (CONTINUED)

The District pays an annual premium to the Kansas Association of School Boards for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Workers Compensation fund will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards management.

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## K. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2019.

## L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 20, 2019, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed with the financial statement.



**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019

<u>Funds</u>	<u>Certified budget</u>	<u>Adjustment to comply with legal maximum budget</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General funds:					
General	\$ 3,391,976	\$ (237,334)	\$ 3,154,642	\$ 3,154,642	\$ -
Supplemental general	1,199,014	(48,597)	1,150,417	1,150,417	-
Special purpose funds:					
At-risk (4-yr-old)	66,000	-	66,000	66,000	-
At-risk (K-12)	326,412	-	326,412	326,412	-
Bilingual education	225,739	-	225,739	113,342	112,397
Capital outlay	1,420,265	-	1,420,265	726,231	694,034
Driver training	6,980	-	6,980	5,986	994
Food service	258,385	-	258,385	240,456	17,929
Professional development	2,210	-	2,210	1,946	264
Special education	352,812	-	352,812	352,812	-
Career and postsecondary education	152,213	-	152,213	134,309	17,904
KPERS special retirement contribution	477,537	-	477,537	303,069	174,468
Bond and interest funds:					
Bond and interest	316,250	-	316,250	316,250	-
 Total	 <u>\$ 8,195,793</u>	 <u>\$ (285,931)</u>	 <u>\$ 7,909,862</u>	 <u>\$ 6,891,872</u>	 <u>\$ 1,017,990</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State sources:				
State aid	\$ 2,953,492	\$ 2,892,085	\$ 3,081,682	\$ (189,597)
Special education aid	229,797	242,910	300,000	(57,090)
Mineral production tax	10,263	19,647	10,294	9,353
Total receipts	<u>3,193,552</u>	<u>3,154,642</u>	<u>\$ 3,391,976</u>	<u>\$ (237,334)</u>
Expenditures:				
Instruction	1,642,660	1,688,575	\$ 1,720,664	\$ 32,089
Student support services	82,530	87,689	74,750	(12,939)
Instructional support staff	88,414	92,372	102,000	9,628
General administration	165,429	195,029	207,468	12,439
School administration	15,778	16,183	15,778	(405)
Central services	109,593	89,943	83,156	(6,787)
Operations and maintenance	416,022	175,372	423,014	247,642
Operations and maintenance - transportation	4,214	4,791	4,214	(577)
Student transportation services:				
Supervision	20,915	20,947	21,540	593
Vehicle operating services	141,304	143,545	131,105	(12,440)
Vehicle and maintenance services	52,402	46,633	53,515	6,882
Other student transportation services	1,408	1,583	1,408	(175)
Operating transfers	452,914	591,980	553,364	(38,616)
Adjustment to comply with legal maximum budget	-	-	(237,334)	(237,334)
Total expenditures	<u>3,193,583</u>	<u>3,154,642</u>	<u>\$ 3,154,642</u>	<u>\$ -</u>
Receipts over (under) expenditures	(31)	-		
Unencumbered cash, beginning of year	<u>31</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**SUPPLEMENTAL GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Tax in process	\$ 8,124	\$ 19,044	\$ 55,812	\$ (36,768)
Current tax	1,117,728	1,052,701	992,169	60,532
Delinquent tax	12,007	10,260	3,899	6,361
Motor vehicle tax	79,941	79,965	75,852	4,113
Recreational vehicle tax	668	889	761	128
State aid	-	25,999	27,098	(1,099)
Other	15	-	-	-
Total receipts	<u>1,218,483</u>	<u>1,188,858</u>	<u>\$ 1,155,591</u>	<u>\$ 33,267</u>
Expenditures:				
Instruction	52,499	38,285	\$ 69,148	\$ 30,863
Student support services	(571)	935	500	(435)
Instructional support staff	3,669	3,939	3,900	(39)
School administration	290,190	331,765	291,618	(40,147)
Central services	64,224	65,408	65,505	97
Operations and maintenance	240,530	250,115	165,600	(84,515)
Operations and maintenance - transportation	-	-	75,743	75,743
Other support services	4,470	4,534	5,000	466
Operating transfers	519,989	455,436	522,000	66,564
Adjustment to comply with legal maximum budget	-	-	(48,597)	(48,597)
Total expenditures	<u>1,175,000</u>	<u>1,150,417</u>	<u>\$ 1,150,417</u>	<u>\$ -</u>
Receipts over (under) expenditures	43,483	38,441		
Unencumbered cash, beginning of year	<u>28,838</u>	<u>72,321</u>		
Unencumbered cash, end of year	<u>\$ 72,321</u>	<u>\$ 110,762</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

AT-RISK (4-YR-OLD) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Tuition	\$ 10,875	\$ 11,600	\$ 12,000	\$ (400)
Transfer from supplemental general	<u>53,217</u>	<u>64,741</u>	<u>54,000</u>	<u>10,741</u>
Total receipts	64,092	76,341	<u>\$ 66,000</u>	<u>\$ 10,341</u>
Expenditures:				
Instruction	<u>64,092</u>	<u>66,000</u>	<u>\$ 66,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	10,341		
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 10,341</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**AT-RISK (K-12) FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from general	\$ 116,412	\$ 71,952	\$ 116,412	\$ (44,460)
Transfer from supplemental general	<u>209,921</u>	<u>303,498</u>	<u>210,000</u>	<u>93,498</u>
Total receipts	326,333	375,450	<u>\$ 326,412</u>	<u>\$ 49,038</u>
Expenditures:				
Instruction	<u>326,333</u>	<u>326,412</u>	<u>\$ 326,412</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	49,038		
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 49,038</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**BILINGUAL EDUCATION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Local sources	\$ -	\$ -	\$ 10,000	\$ (10,000)
Transfer from general	39,099	69,977	72,739	(2,762)
Transfer from supplemental general	<u>142,358</u>	<u>43,365</u>	<u>143,000</u>	<u>(99,635)</u>
Total receipts	181,457	113,342	<u>\$ 225,739</u>	<u>\$ (112,397)</u>
Expenditures:				
Instruction	<u>181,457</u>	<u>113,342</u>	<u>\$ 225,739</u>	<u>\$ 112,397</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**CAPITAL OUTLAY FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Tax in process	\$ 3,109	\$ 6,679	\$ 19,722	\$ (13,043)
Current tax	391,985	428,308	394,917	33,391
Delinquent tax	4,314	3,759	1,368	2,391
Motor vehicle tax	29,722	29,552	28,174	1,378
Recreational vehicle tax	251	324	283	41
Interest	15,694	21,651	-	21,651
Insurance/restitution proceeds	-	9,691	-	9,691
Other	35,757	3,749	26,328	(22,579)
Total receipts	<u>480,832</u>	<u>503,713</u>	<u>\$ 470,792</u>	<u>\$ 32,921</u>
Expenditures:				
Instruction	32,167	53,261	\$ 40,000	\$ (13,261)
Operations and maintenance	740	199,135	-	(199,135)
Transportation	26,129	85,662	100,000	14,338
Other support services	654,611	260,852	668,800	407,948
Facility acquisition and construction services	120,506	127,321	611,465	484,144
Total expenditures	<u>834,153</u>	<u>726,231</u>	<u>\$ 1,420,265</u>	<u>\$ 694,034</u>
Receipts over (under) expenditures	(353,321)	(222,518)		
Unencumbered cash, beginning of year	<u>1,303,788</u>	<u>950,467</u>		
Unencumbered cash, end of year	<u>\$ 950,467</u>	<u>\$ 727,949</u>		

See Independent Auditor's Report.



**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**DRIVER TRAINING FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
State aid	\$ 4,096	\$ 2,646	\$ 2,340	\$ 306
Tuition	600	1,300	1,900	(600)
Total receipts	<u>4,696</u>	<u>3,946</u>	<u>\$ 4,240</u>	<u>\$ (294)</u>
Expenditures:				
Instruction	7,899	5,986	\$ 6,680	\$ 694
Vehicle operations, maintenance	267	-	300	300
Total expenditures	<u>8,166</u>	<u>5,986</u>	<u>\$ 6,980</u>	<u>\$ 994</u>
Receipts over (under) expenditures	(3,470)	(2,040)		
Unencumbered cash, beginning of year	<u>18,975</u>	<u>15,505</u>		
Unencumbered cash, end of year	<u>\$ 15,505</u>	<u>\$ 13,465</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**FOOD SERVICE FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Federal aid	\$ 131,894	\$ 123,895	\$ 131,524	\$ (7,629)
State aid	2,475	2,492	2,080	412
Charges for services	81,966	88,485	84,006	4,479
Other	367	-	500	(500)
Transfer from general	3,393	20,000	-	20,000
Transfer from supplemental general	31,974	-	32,000	(32,000)
Total receipts	<u>252,069</u>	<u>234,872</u>	<u>\$ 250,110</u>	<u>\$ (15,238)</u>
Expenditures:				
Operations and maintenance	2,938	8,829	\$ 3,000	\$ (5,829)
Food service operations	247,351	231,627	255,385	23,758
Total expenditures	<u>250,289</u>	<u>240,456</u>	<u>\$ 258,385</u>	<u>\$ 17,929</u>
Receipts over (under) expenditures	1,780	(5,584)		
Unencumbered cash, beginning of year	<u>29,665</u>	<u>31,445</u>		
Unencumbered cash, end of year	<u>\$ 31,445</u>	<u>\$ 25,861</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
State aid	\$ -	\$ 1,666	\$ 938	\$ 728
Transfer from supplemental general	-	266	-	266
Total receipts	-	1,932	<u>\$ 938</u>	<u>\$ 994</u>
Expenditures:				
Instructional support staff	2,037	1,946	<u>\$ 2,210</u>	<u>\$ 264</u>
Receipts over (under) expenditures	(2,037)	(14)		
Unencumbered cash, beginning of year	<u>3,368</u>	<u>1,331</u>		
Unencumbered cash, end of year	<u>\$ 1,331</u>	<u>\$ 1,317</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Federal aid	\$ 5,371	\$ 4,745	\$ 5,000	\$ (255)
Other	-	-	10,000	(10,000)
Transfer from general	<u>229,797</u>	<u>342,140</u>	<u>300,000</u>	<u>42,140</u>
Total receipts	235,168	346,885	<u>\$ 315,000</u>	<u>\$ 31,885</u>
Expenditures:				
Instruction	<u>338,705</u>	<u>352,812</u>	<u>\$ 352,812</u>	<u>\$ -</u>
Receipts over (under) expenditures	(103,537)	(5,927)		
Unencumbered cash, beginning of year	<u>141,349</u>	<u>37,812</u>		
Unencumbered cash, end of year	<u>\$ 37,812</u>	<u>\$ 31,885</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Other	\$ 1,809	\$ 2,832	\$ 5,000	\$ (2,168)
Transfer from general	64,213	87,911	64,213	23,698
Transfer from supplemental general	82,519	43,566	83,000	(39,434)
Total receipts	<u>148,541</u>	<u>134,309</u>	<u>\$ 152,213</u>	<u>\$ (17,904)</u>
Expenditures:				
Instruction	148,541	134,309	\$ 151,013	\$ 16,704
Instructional support staff	-	-	1,200	1,200
Total expenditures	<u>148,541</u>	<u>134,309</u>	<u>\$ 152,213</u>	<u>\$ 17,904</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**KPERS SPECIAL RETIREMENT CONTRIBUTION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 358,108	\$ 303,069	\$ 477,537	\$ (174,468)
Expenditures:				
Instruction	235,143	195,681	\$ 309,537	\$ 113,856
Student support services	6,219	4,898	8,000	3,102
Instructional support staff	8,470	7,027	15,000	7,973
General administration	11,366	11,883	15,000	3,117
School administration	29,337	26,622	35,000	8,378
Central services	19,232	14,442	25,000	10,558
Operations and maintenance	31,942	25,025	40,000	14,975
Student transportation services	11,793	10,757	20,000	9,243
Food service operations	4,606	6,734	10,000	3,266
Total expenditures	358,108	303,069	\$ 477,537	\$ 174,468
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2019

	Gifts and grants	Contingency reserve	Textbook and student material revolving	Title I
Receipts:				
Federal aid	\$ -	\$ -	\$ -	\$ 81,570
Interest	-	-	-	-
User charges	-	-	22,678	-
Other grants	90,667	-	-	-
Donations	96,299	-	-	-
	186,966	-	22,678	81,570
Total receipts				
Expenditures:				
Instruction	-	-	13,354	81,676
Other expense	165,108	-	-	-
	165,108	-	13,354	81,676
Total expenditures				
Receipts over (under) expenditures	21,858	-	9,324	(106)
Unencumbered cash (deficit), beginning of year	162,878	315,722	34,001	106
Unencumbered cash, end of year	\$ 184,736	\$ 315,722	\$ 43,325	\$ -

See Independent Auditor's Report.

<u>Migrant</u>	<u>Title II-A teacher quality</u>	<u>USDOE REAP</u>	<u>Finnup Foundation arts grant</u>	<u>Elementary lunch - Childs estate</u>	<u>Total</u>
\$ 30,000	\$ 15,748	\$ 33,387	\$ -	\$ -	\$ 160,705
-	-	-	-	213	213
-	-	-	-	-	22,678
-	-	-	7,996	-	98,663
-	-	-	-	-	96,299
<u>30,000</u>	<u>15,748</u>	<u>33,387</u>	<u>7,996</u>	<u>213</u>	<u>378,558</u>
30,000	15,047	20,294	4,020	-	164,391
-	-	-	-	400	165,508
<u>30,000</u>	<u>15,047</u>	<u>20,294</u>	<u>4,020</u>	<u>400</u>	<u>329,899</u>
-	701	13,093	3,976	(187)	48,659
-	(701)	(13,093)	44	42,819	541,776
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,020</u>	<u>\$ 42,632</u>	<u>\$ 590,435</u>



**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**BOND AND INTEREST FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes:				
Tax in process	\$ 2,994	\$ 4,099	\$ 8,920	\$ (4,821)
Current tax	242,782	299,681	276,291	23,390
Delinquent tax	4,246	3,117	836	2,281
Motor vehicle tax	28,332	24,358	23,799	559
Recreational vehicle tax	315	247	239	8
<u>Total receipts</u>	<u>278,669</u>	<u>331,502</u>	<u>\$ 310,085</u>	<u>\$ 21,417</u>
Expenditures:				
Debt service:				
Interest	110,650	101,250	\$ 101,250	\$ -
Principal	230,000	215,000	215,000	-
<u>Total expenditures</u>	<u>340,650</u>	<u>316,250</u>	<u>\$ 316,250</u>	<u>\$ -</u>
Receipts over (under) expenditures	(61,981)	15,252		
Unencumbered cash, beginning of year	<u>415,326</u>	<u>353,345</u>		
Unencumbered cash, end of year	<u>\$ 353,345</u>	<u>\$ 368,597</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS

For the Year Ended June 30, 2019

Funds	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
Gate receipts:						
Junior - Senior High School:						
Athletics general	\$ -	\$ 36,875	\$ 35,881	\$ 994	\$ -	\$ 994
JH athletic fund	253	4,842	5,095	-	-	-
Musical	3,805	3,437	2,260	4,982	-	4,982
Subtotal gate receipts	4,058	45,154	43,236	5,976	-	5,976
School projects:						
Junior - Senior High School:						
Yearbook	9,051	6,347	5,241	10,157	-	10,157
Athletic uniforms	1,630	910	1,730	810	-	810
Class competition	1,470	709	336	1,843	-	1,843
Teacher activity	205	1,110	975	340	-	340
Library	3,438	435	45	3,828	-	3,828
Concessions	6,374	20,508	22,658	4,224	-	4,224
Activity tickets	-	794	794	-	-	-
Contingency	10,000	-	-	10,000	-	10,000
Scholarship	7,120	72	600	6,592	-	6,592
Forensics	25	-	-	25	-	25
Scholar's bowl	848	440	587	701	-	701
Elementary:						
Library	1,868	127	-	1,995	-	1,995
Box tops	1,039	486	874	651	-	651
Education donations	2,222	500	76	2,646	-	2,646
Student activity	1,448	8,039	8,078	1,409	-	1,409
Subtotal school projects	46,738	40,477	41,994	45,221	-	45,221
Total district activity funds	\$ 50,796	\$ 85,631	\$ 85,230	\$ 51,197	\$ -	\$ 51,197

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 467  
LEOTI, KANSAS**

**AGENCY FUNDS**

**SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS**

For the Year Ended June 30, 2019

<u>Funds</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds:				
Junior - Senior High School:				
Class of 2017	\$ 627	\$ -	\$ 627	\$ -
Class of 2018	1,148	-	522	626
Class of 2019	548	114	662	-
Class of 2020	3,171	1,601	3,301	1,471
Class of 2021	2,456	1,103	-	3,559
Class of 2022	-	1,458	-	1,458
JH girls basketball	929	-	-	929
Drama	-	2,018	1,659	359
Band	1,374	4,383	3,705	2,052
Cheerleaders junior high	251	1,061	1,305	7
Cheerleaders high school	1,575	1,890	2,116	1,349
Future Farmers of America	7,766	15,289	17,709	5,346
Kays	5,260	4,630	4,929	4,961
Vocal	-	1,025	665	360
Pep club	-	2,037	305	1,732
Student council	1,831	5,819	6,107	1,543
JH student council	1,799	9,032	7,146	3,685
Bio II trip	672	1,906	1,962	616
Boys BB	39	677	561	155
Girls BB	1,175	-	-	1,175
JH volleyball	1,429	4,175	4,569	1,035
HS volleyball	74	-	-	74
HS powerlifting	-	2,655	2,009	646
National Honor Society	41	1,925	1,800	166
	<u>32,165</u>	<u>62,798</u>	<u>61,659</u>	<u>33,304</u>
Total student organization funds				
Clearing funds:				
Junior - Senior High School sales tax	12	5,774	5,610	176
Elementary sales tax	13	45	50	8
Credit card clearing	-	5,376	5,376	-
	<u>25</u>	<u>11,195</u>	<u>11,036</u>	<u>184</u>
Total clearing funds				
	<u>\$ 32,190</u>	<u>\$ 73,993</u>	<u>\$ 72,695</u>	<u>\$ 33,488</u>
Total agency funds				

See Independent Auditor's Report.